

VZCZCXYZ0012
PP RUEHWEB

DE RUEHC #2860 2751648
ZNR UUUUU ZZH
P R 021629Z OCT 09
FM SECSTATE WASHDC
TO RUEHIN/AIT TAIPEI PRIORITY 0000
INFO RUEAIIA/CIA WASHINGTON DC
RHMCSUU/FBI WASHINGTON DC 0000
RUCPDOG/USDOC WASHINGTON DC 0000
RUEKJCS/SECDEF WASHINGTON DC
RUEPINS/HQ BICE INTEL WASHINGTON DC

UNCLAS STATE 102860

SIPDIS
TAIPEI FOR MATTHEW O'CONNOR

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [TW](#)
SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK
ON APPLICATION 050192019

REF: 2006 BLUE LANTERN GUIDEBOOK

¶1. This is an Action Request. See paragraphs 2-4.

¶2. The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests AIT Taipei's assistance in conducting a pre-license check on application 050192019 for the export of gyroscopes to Taiwan. AIT Taipei is requested to complete this Blue Lantern check within 30 days. Lack of response to a Blue Lantern check will affect pending and future licenses involving parties to this license.

¶3. Reason for request: sensitive commodity, lack of documentation from end-user Chung Shan Institute of Science and Technology (CSIST), and unfamiliar foreign consignee, Pegasus Hi-Tek Co., Ltd. (Pegasus). The company has appeared on previous licenses but its bona fides have not been

verified by a Blue Lantern check.

¶4. ACTION AIT TAIPEI: AIT Taipei is requested to make inquiries with appropriate authorities to determine if CSIST ordered the gyroscopes from Pegasus and if so, verify the amount and that the items will be used for the purpose stated on the license. PM/DTCC also requests that post conduct a site visit to Pegasus in order to provide Department with an assessment of its business operations and on-site security. Finally, post is asked to assess whether the company appears to be a reliable recipient of USML items. If a site visit is not possible, please inform the PM/DTCC officer.

The following questions are provided as suggested guidance:

--Does the company have supporting documentation for this proposed transaction?

--Does the company have secure facilities and proper accounting and security procedures for handling sensitive USML items?

--What is the exact end-use for this USML item?

--When was the company established and who are its principals?

--What is the nature of its business -- what type of items does it handle, does it serve as a broker?

--What type of organizations are among its typical customers and where are the customers located?

--Does the company understand the restrictions on United States Munitions List (USML) items, especially the prohibition against unauthorized re-transfer and re-export?

END ACTION

15. Details of license application:

DTC Case: 050192019

QUANTITY/COMMODITY:

20 Rate Gyro P/N:RG02-0103-1

License Value: USD 77,000.00

SELLER:

Eugenix Systems, Inc.
6707 Convoy Ct.
San Diego, CA 92111
POC is Ji Kim, Tel. 858-278-4951

FOREIGN CONSIGNEE:

Pegasus Hi-Tek Co., Ltd.
Room 11, 14F, No. 495, Kuan Fu S. Rd., Road
Taipei
Taiwan
POC is General Manager, William Mar, Tel. 02-27205060

FOREIGN END-USER:

Chung Shan Institute of Science and Technology
No. 481, Chia-An Sec., Chung-Chen Road Chia-An Village
Lung-Tan
Taiwan
No POC provided

PURPOSE:

Eugenix P/N:RG02-0103-1 rate gyro will be used as rotary axis rate sensors for CS/MPQ-56IN shipboard tracking radar antenna pedestal which is developed by CSIST for the Taiwanese Navy.

16. Submitted in support of the license application were the following documents (PM/DTCC can fax documentation to post upon request):

--DSP-83 Nontransfer and Use Certificate (illegible).

--Purchase Order No. XU98E80P submitted by Pegasus Hi-Tek Co., Ltd., signed by General Manager William Mar on 24 August 12009.

--End Use Statement submitted by Pegasus Hi-Tek Co., Ltd., signed by General Manager William Mar on 15 September 2009.

17. Please slug reply for PM/DTCC - BLUE LANTERN COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. POC is Tim Mazzarelli, Phone: 202-663-3867; Email: MazzarelliTP@state.gov; SIPRNET: MazzarelliTP@state.sgov.gov. The Blue Lantern Guidebook (ref) is available as a PDF file in the Bunche Library's E-Book Collection on the DOS Intranet: <http://buncheelectroniclibrary.state.gov/ebooks/BlueLanternGuidebook2006%20final.pdf>

18. Department is grateful for post's assistance in this matter.
CLINTON